GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3615
ANSWERED ON:18.04.2005
SETTING UP OF NEW UREA UNITS
Boianapalli Shri Vinod Kumar

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government proposes to set up new urea units and expand existing units with a view to bridge the gap between demand and supply of urea;

(b) if so, the details thereof; and

(c) by when the country is likely to become self-sufficient in urea production?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) & (b) : As per the industrial policy resolution dated 24th July, 1991, no license is normally required for setting up/expansion of fertilizer plants. Entrepreneurs are free to set up fertilizer projects anywhere in the country subject to environmental clearance. However, Public Sector Undertakings/ Cooperative Societies under the administrative control of the Department of Fertilizers have to obtain approval of the Government before undertaking such capital expenditure beyond their delegated powers. Further, setting up of new, expansion and de-bottlenecking projects of urea requires prior approval of the Department of Fertilizers which are to be based on Natural Gas (NG) and Liquefied natural Gas (LNG) as feedstock and fuel, as per the pricing policy for investment made in new, expansion and de-bottlenecking project of urea notified in January, 2004.

(c) : The country is nearly self-sufficient in meeting the demand of urea. Whenever there is a gap in demand-supply situation of urea, Government imports urea through State Trading Enterprises (STEs). The Government has been pursuing policies which are conducive for encoursing investment in fertilizer sector so as to achieve self-sufficiency in meeting the indigenous requirement of major fertilizers.